

NOVEMBER 17, 2015

CITY OF GUNNISON COUNCIL
SPECIAL SESSION MEETING MINUTES

7:00 P.M.

This Special Session meeting was set by an affirmative vote of City Council at the Regular Session meeting on November 10, 2015.

The City Council Special Session meeting was called to order at 7:00 P.M., by Mayor Hagan, with Councilors Ferguson, Drexel, Morrison and Schwartz present along with City Clerk Davidson, Acting City Manager/Finance Director Cowan, IT Director Lee, Police Chief Robinson, WSCU Liaison Davis, several citizens and the press. City Attorney Fogo and City Manager Coleman were absent. A Council quorum was present.

Consideration of Minutes of November 10, 2015, Regular Session Meeting. Councilor Ferguson moved and Councilor Morrison seconded the motion to approve the November 10, 2015, Regular Session meeting minutes as submitted.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Presentation of Econometrics Analysis of Sales Tax Revenue by WSCU Intern Jacob Weiss. Mr. Weiss introduced himself to Council. He informed Council he started as a City student intern from Western and then took on a one-year position working with City Manager Coleman. He appreciates all of the assistance City Manager Coleman has given him throughout his project. He has an interest in Public Administration. Mr. Weiss explained his project looked at economic factors that affect sales tax revenue and how those factors can be utilized to predict trends in sales tax revenue projections. The Econometrics report is a multivariate regression analysis – a statistical application. He reviewed sales tax revenues and trends from January 1995 through January 2015. The revenues were very cyclical throughout that timeframe. He collected a large number of independent variables to analyze the sales tax trends during those years. He measured the strengths of each variable in predicting outcomes. He developed three models over the past year. The primary is a Time-Series Model where he utilized 222 observations. Some of the variables were: employment figures, the number of participants receiving SMAP benefits, the number in the local labor force and the trash generated by the community. The trash generated is a proxy for the level of consumerism taking place. The Labor Market was the most valuable tool utilized to determine an effect on sales tax. The more people employed, the higher the consumer spending is, and thus the higher the generation of sales tax. One disparity was the increase in enrollment at Western, that should have meant more spending and therefore more sales tax, didn't demonstrate that correlation. More students didn't necessarily increase the amount of sales tax. A short discussion ensued. Mr. Weiss once again thanked Council for the opportunity to work with City Manager Coleman on this project and Council thanked Mr. Weiss for his presentation and wished him luck in his future endeavors.

Action on Memorandum of Understanding Between City and Region 10, Re: DOLA Technology Network Grant Application. City IT Administrator Mike Lee addressed Council. He presented the draft Memorandum of Understanding (MOU) to Council at last week's Work Session meeting. The cost of the project is a moving target and the project is changing quickly. The cost reflects a three-way split. They hope to use as much existing fiber as possible. The project total is approximately \$811,000. The proposed MOU between the City and Region 10 is a 2-year commitment not to exceed \$41,410. The City is also utilizing existing fiber infrastructure the amount of \$25,774 as a match for the grant application. Council discussed the opt-out provisions in the MOU and the cash commitment is contingent upon the annual budget appropriation of the funds. If the grant is awarded, the Phase II Project will provide additional bandwidth and reliability although the redundancy is not really addressed in this phase. This project concerns the "middle mile" of service but not the "final mile" of service to the consumer's home or business. Councilor Drexel stated this project has a huge chance for economic development in the entire Valley.

Councilor Drexel moved and Councilor Schwartz seconded the motion to approve the Memorandum of Understanding Between the City and Region 10 and to authorize the Mayor to sign said Memorandum.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Ordinance No. 18, Series 2015; Re: Setting 2015 Mill Levy, 1st Reading. Councilor Drexel introduced Ordinance No. 18, Series 2015, and it was read by title along with Sections 1, 2 and 3 by Finance Director Cowan.

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Councilor Drexel moved and Councilor Morrison seconded the motion that Ordinance No. 18, Series 2015, **AN ORDINANCE SETTING A TAX LEVY FOR THE CITY OF GUNNISON, COLORADO**, be introduced, read, passed and ordered published on first reading this 17th day of November, 2015.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote, no: None.

Ordinance No. 19, Series 2015; Re: 2016 City Budget, 1st Reading. Councilor Morrison introduced Ordinance No. 19, Series 2015, and it was read by title along with Section 2 by Finance Director Cowan.

Councilor Morrison moved and Councilor Ferguson seconded the motion that Ordinance No. 19, Series 2015, **AN ORDINANCE ADOPTING AND APPROPRIATING AN ANNUAL BUDGET**, be introduced, read, passed and ordered published on first reading this 17th day of November, 2015.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

Ordinance No. 20, Series 2015; Re: Additional Appropriations to the 2015 City Budget, 1st Reading. Councilor Schwartz introduced Ordinance No. 20, Series 2015, and it was read by title along with Sections 1 and 2 by Councilor Schwartz.

Councilor Schwartz moved and Councilor Ferguson seconded the motion that Ordinance No. 20, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING AN ADDITIONAL APPROPRIATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015**, be introduced, read, passed and ordered published on first reading this 17th day of November, 2015.

Roll call vote, yes: Schwartz, Ferguson, Drexel, Hagan, Morrison. So carried.

Roll call vote, no: None.

Ordinance No. 21, Series 2015; Re: Amending Municipal Code Section 3.10.050 Vendor Liable for Tax; to Change Sales Tax Vendor Fee, 1st Reading. Councilor Ferguson introduced Ordinance No. 21, Series 2015, and it was read by title along with the second "Whereas" by Councilor Ferguson.

Councilor Ferguson moved and Councilor Morrison seconded the motion that Ordinance No. 21, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 3 FINANCE, CHAPTER 3.10 CITY SALES AND USE TAX CODE, SECTION 3.10.050 VENDOR LIABLE FOR TAX**, be introduced, read, passed and ordered published on first reading this 17th day of November, 2015.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

Finance Department Semi-Annual Report – Finance Director Ben Cowan. Director Cowan asked Council if they had any questions or comments about the report he included in their Council packets. Councilor Schwartz asked about the form included in the packet report. Director Cowan explained it is a new data entry form that will be used internally in the Finance Department. The newly revised sales tax master form will be sent out to businesses before the end of 2015. Council thanked Director Cowan for the clear and helpful budget and financial reports that he has provided.

Close Special Session: Mayor Hagan closed the Special Session meeting at 7:52P.M.



Mayor



City Clerk